

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

August 5, 2009

Palladon Iron Corporation Iron Bull Mining and Milling 2708 S. Comstock Road Cedar City, Utah 84720

Subject: Conditional Approval of Amended Notice of Intention to Commence Large Mining Operations

(NOI), Palladon Iron Corporation, Iron Mountain Mine, M/021/0008, Iron County, Utah

Dear Mr. Herbert:

The Division has received notification of Palladon's Iron Mine use of pit water for dust suppression within the mine area. The Division now permits you to begin this practice as outlined.

The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

The Division requests that the information provided be made into a format so that this update can be included in the mine plan. If the water quality data is already in the mine plan, then a reference to this practice and data is included in the appropriate section of the plan.

All future correspondence should reference M/021/0008. Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

Paul Baker

Minerals Mining Manager

PB:tm:vs

cc: mgeorge@utah.gov rherbert@utah.gov ed ginuouves@blm.gov

